United States Department of State

Office of Foreign Missions
Washington, D.C. 20520

NOTICE

Tax-Exempt Credit/Debit (TECD) Program Information

On April 21, 2006, the Office of Foreign Missions hosted a forum in Washington, DC for the foreign mission and international organization community concerning the Tax-Exempt Credit/Debit Card (TECD) Program and Streamlined Sales Tax Agreement Exemption Certificate.

As a reference for missions and organizations that were unable to attend this event, the handouts about TECD program, provided by the Office of Foreign Missions, are attached with this notice.

OFM will make available a video recording of this forum on DVD for a modest charge in the near future. Further details will follow.

May 1, 2006

Office of Foreign Missions Tax-Exempt Credit/Debit Card Program

Question & Answer Forum

April 21, 2006

Dean Acheson Auditorium

•Once the card(s) is issued, foreign missions or eligible members will use the card to secure purchases for which they intend to receive tax exemption.

•Each card will bear the photograph of the cardholder and their reciprocal level of exemption.

•The card must be used to secure any "tax-exempt" purchases.

•If the vendor has questions about the validity of the exemption process, they can contact the card issuer's 24-hour Customer Service representative for general assistance.

Is participation in the TECD Program mandatory?

Yes & No.

- All missions organizations will be allowed to choose either the TECD Program or the current system as the means for obtaining tax-relief on their OFFICIAL purchases.
- Missions members whose financial transactions are under restrictions imposed by the Department of the Treasury's Office of Foreign Asset Control (OFAC) will not be able to participate in the TECD Program and will continue to use the current system to obtain both official and personal tax-relief privileges.

Personal Tax-Exemption Privileges

PLAN A: If reciprocally, the members of the U.S. Mission are granted point-of-sale tax exemption or if consumption taxes are not imposed, the members of their counterpart mission in the U.S. will be given an option of participating in either the TECD Program or the existing system for obtaining tax-relief on their PERSONAL purchases. Members of international organizations and members of missions to international organizations that are eligible for diplomatic tax-relief privileges will be given the option of either system.

PLAN B: If reciprocally, the members of the U.S. Mission are granted diplomatic tax-relief privileges via reimbursement, the members of their counterpart mission in the U.S. will be required to use the TECD Program as their sole means for obtaining diplomatic tax-relief privileges on their PERSONAL purchases.

What types of taxes are eligible for exemption using these cards?

The TECD Program cards will provide the same tax exemption benefits as the existing system.

These benefits include:
All sales and occupancy taxes imposed and collected by state and local taxing authorities.

What types of taxes are not eligible for relief using these cards?

- Taxes other than sales tax imposed on alcohol or tobacco products (bonded warehouse)
- Any tax imposed on the purchase or lease of a motor vehicle; (letter from OFM to dealership)
- Any tax imposed on the purchase of gasoline or diesel fuels; (gasoline tax-exempt credit card)
- Any tax imposed on the purchase of domestic or international airline tickets; (A or G series visa)
- Any tax imposed on the provision of utility services. (DS-99)

When will the TECD Program begin?

OFM hopes to begin implementing this Program in the first quarter of 2007.

Can an individual be authorized for both a Tax-Exempt Credit Card and a Debit Card?

Yes. TECD Program participants may be authorized for both types of cards.

Can an individual be authorized for both a TECD Card and a Tax-Exempt ID Card?

No. OFM will only permit individual's or missions/organizations the ability to utilize either the TECD Program or the existing system.

How many TECD Program cards can the mission/organization be assigned for official purchases?

OFM will not impose a limit on the number of official TECD Program cards a mission/organization may request. It will require that each card be assigned to an accredited member of the mission/organization. Such cards will list the name of the mission/organization and the name of the individual responsible for the card's use.

However, missions that choose to continue using the current system will be restricted to a maximum of 2 cards per location.